

News on Demand Description of Service

Updated: December 18, 1993

News on Demand will be marketed to cable systems that have switched digital networks, such as Time Warner's Full Service Network in Orlando. It will allow viewers to call up televised news and information, including the day's top stories, commentaries, financial reports, entertainment reviews, sports, and weather. Some stories will also be available on paper from a printer connected to the set-top box. The service will be supported by advertising revenue, monthly charges and/or usage fees.

The main values of the service will be:

- >> Providing viewers with the convenience of getting the specific news and information they want at the time they want it.
- >> Giving viewers that chance to delve more deeply into the topics that interest them most.
- >> Offering analysis, raw video and in-depth reports that are not easily available on broadcast television.

Time Inc. has the following goals in establishing the service:

- >> Creating an interactive news product for digital cable systems that will be able to compete with similar products and become profitable.
- >> Extending the franchise of Time Inc. publications, brand names and journalists.
- >> Enhancing the value of Time Warner's Full Service Networks.

Navigation

Viewers will navigate to the stories they want by making choices from simple menus or prompts. Current assumptions include:

>> No more than eight icons or menu offerings can fit onto a screen at one time. However, we may go the route of scrolling lists.

>> Video content should be shown full size with as few possible buttons, icons or other distractions. A screen should offer either a menu of possible selections or full-screen video programming; it should not try to do both at once.

>> Viewers should get to familiar-looking television as soon as possible upon entering the service; too many screens that look and feel like a computer program will be intimidating.

The current plan is that viewers will be greeted by an on-screen anchor who will give a four-minute summary of the latest news, sports, and weather. This will be updated at least three times a day, probably by the anchors at New York 1. This has the virtue of getting the viewer immediately to a familiar form of television. It also could become the first step to a branded Time newscast.

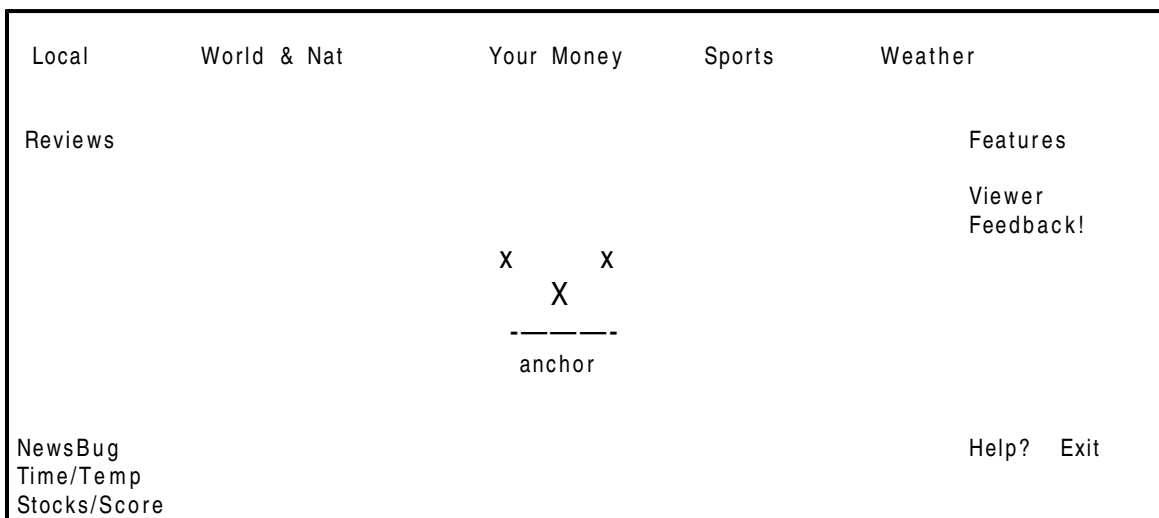
Arrayed above or around the anchor will be eight icons that may look like magazines. The idea is to evoke, though not replicate, a newsstand. The icons/magazines will be labeled with the service's categories of news offerings: Local, World & National, Your Money, Sports, Weather, Entertainment, and Health.

The anchor's script would serve both as a news summary, brief instruction guide, and table of contents. For example, he might say:

"Welcome to the Newsstand. At any time, you can use the arrows and select button on your remote control to go directly to the topic you want. In local news, Orlando Mayor John Smith has announced that the city will spend \$25 million next year to renovate Audubon Park. The money will go for a new children's playground and a renovated petting zoo. In Maitland Oaks, the Smith's cat got up a tree again and firemen had to rescue it. [15 seconds more of local news...] For more details, press 1 or select the Orlando button on your screen. In world and national news, President Clinton this morning signed the Brady bill, which

requires a five-day waiting period before purchasing a handgun. Time's White House correspondent Michael Duffy says that the success of the bill has encouraged the White house to make gun control a major initiative next year. An earthquake measuring 7.1 on the Richter scale has hit central California, and 12 people are reported injured. In Moscow, Boris Yeltsin has threatened to suspend the new parliament if it does not immediately pass his reform plan. And new fighting broke out on the West Bank, forcing the postponement of the planned summit between PLO Chief Yassir Arafat and Israeli Prime Minister Yitzak Rabin. More on these and other stories in World & National news... [Script continues along these lines for all seven categories. Ends with more detailed instructions on how to select a category.]

The initial screen could look like this:



When the viewer pushes the directional buttons on his remote control, a red circle with four arrows on it will move from icon to icon on the screen. The red circle with arrows will look like the directional keys on the remote control device. Perhaps each icon could be numbered so that a viewer could also select it by entering a number on the remote control as well as by using the navigational arrows. The circle or lighted "hot-button" would not move automatically with the anchor's narration; we feel it is better to give the viewer complete control of the movement.

During any session, a viewer may return to this initial screen many times. On any return visit, the screen would contain only the seven icons, and not the anchorman. The 5-minute news summary

would not be repeated. Instead, a voice-over would instruct the viewer to use the arrows and select button on his remote control to go directly to any of these subjects. Thus, the software will have to keep track of whether this is the viewer's first or subsequent visit to the main screen.

At the end of the anchor's news summary, he would give more detailed instructions on how to go directly to one of the seven categories. If the viewer makes no choices and does not begin using the directional arrows, after 15 seconds the screen would default to the latest CNN Headline News.

When the viewer selects one of the eight icons, two possible things could occur: a video program/segment comes on the screen, or a menu of offerings comes to the screen. It may be best to vary this depending on the different needs of each category, or it may be preferable to enforce a consistent style. For the moment, we will take the former approach.

World & National

Hitting the World & National icon could produce a scrolling list of 20 to 30 offerings. Or, those offerings could be put into seven or eight categories as on this screen:

| <u>WORLD & NATIONAL</u> | | |
|---|-------|----------------|
| 1. CNN HEADLINES: A summary of the latest news | | |
| 2. XYZ EVENING NEWS: The latest from Dan Brokaw and Connie Jennings | | |
| 3. TIME REPORTS: Analysis and commentary from Time Magazine | | |
| 4. AS IT HAPPENED: The raw video of major news events. | | |
| 5. IN THE COURTS: Summaries and excerpts from Court TV | | |
| 6. MAGAZINE SHOWS: 60 Minutes, Dateline, 20/20 | | |
| 7. PASSAGES: People chronicles deaths, births and marriages | | |
| Return to Newsstand | Help? | Exit to FSN |

All of the World & National offerings will have to fit into seven or eight categories that can be listed on an initial screen. A voice-over would briefly describe each offering or category as it was highlighted. The voice-over descriptions would be rather generic and would rarely have to be updated.

We would need the capacity to drop any of these offerings quickly and easily. For example, we may want to offer the XYZ Evening News only from 7pm until 2 am; at other times, there would be one fewer offering on the menu. The voice-over would have to change accordingly.

When the viewer selected a program or offering such as CNN Headline News or the XYZ Evening News, the video would come on and fill the entire screen. There would be three symbols on the screen corresponding to the three buttons on the remote control. They would be labeled:

HELP. When the viewer clicks on this, the story pauses and a voice explains how to use the left, right and up buttons for VCR functions such as rewind, fast-forward and pause. It would also explain how to get back to the main menu.

WORLD & NATIONAL MENU. Returns viewer to that menu.

NEWSSTAND. Returns viewer to the main Newsstand menu.

Currently we are negotiating with CNN for the right to use Headline News. Our plan is to take it off of the satellite at our tech center in Orlando, use real-time digitizing and compressor equipment, and spool it into the server at least once every three hours. The last 12 minutes of Headline News contain segments such as business, sports and Hollywood that are not part of the World and National news category. Consequently, we may either: lop off those segments; take those segments and put them in the proper categories, such as sports and business; leave the newscast intact. Because the segments do not start at the exact same moment, any tailoring would require at least one person to edit or mark the tape manually; for that reason, at least

initially, we will assume that the newscasts will be used intact, with commercials and peripheral segments.

We plan to offer the other networks the right to put their news shows on the service on a non-exclusive basis. It is not clear whether any network will agree to do so. We will have to remain flexible about what other network offerings might exist, but in the meantime we should design the interfaces as described above.

At the end of a CNN or network newscast, the viewer could be brought to: the main World & National screen; the Time commentary and analysis screen; or the viewer feedback area. For the moment, let's assume it will be the Time screen, in order to promote its usage.

A viewer who clicks the Time screen will be offered six to eight choices of stories or segments. The screen could look like this:

TIME REPORTS

1. GUNS IN AMERICA: A 30-minute cover story report

2. SUBJECT TK: A 10-minute analysis or interview

3. SUBJECT TK: A 10-minute analysis or profile

4. The John Stacks Show: a roundtable discussion

5. Michael Kramer on TK: a video version of his column

6. Media criticism show, with outside critics.

7. Stories and newsletter available for printing.

8. Photo essay (Life or Time)

World & Nat

Help

Newsstand

Menu

The cover story feature would be updated weekly (in rare cases, it may not be the actual cover subject).

At the end of the segment, the viewer would be asked poll questions and his responses would be tabulated and compared to a national sample. This would be connected to the Viewer Feedback area.

The shorter segments would be done one per every three days and would stay on the server an average of six days each. One might be a sidebar to the cover.

All segments would include an icon that says: Print related TIME story. At the end of each segment, the viewer would be asked directly if he wanted the printed version of the full story. These stories would also be listed if the viewer chose the "Stories available for printing" from the Time menu.

The "As It Happened" icon on the World & National menu would lead to a menu offering four or five stored raw video segments of major hearings, press conferences, and events. These could be from one to six hours each.

"In the Courts" will be provided by Court TV. It will include a half-hour summary of judicial news of the day, and perhaps a weekly roundup. Any major footage from a trial could be included under this icon and under the "As It Happened" icon.

We will be talking to the networks in January about whether any of them are willing to put their newsmagazine shows on.

People would like to be in charge of providing obits, tributes, marriages, and other ""passages" segments of about 5 minutes each, which could stay on the server for about a week.

Local News

We are discussing local news content with the Orlando Sentinel and the local cable system. When that is settled, we will be clearer about who will supply local news. It is likely to contain:

- A 15-30 minute local newscast
- A link to the local weather report.
- Community information, such as the week's school lunches, trash collection schedules, etc. These could be in the form of text bulletin board notices.
- Video provided by local residents of such events as PTA meetings, school plays, Little League games or other events. This could total about five hours of video.

Business & Finance

- Stock market scoreboard with a real-time analog feed during the day, and a closing scoreboard in the evening.

- An on-screen keyboard to enter specific stocks by "typing" the first three letters. That would give the current or closing price of the stock and its range for the day and year. The viewer would have the ability to add it to his "Stocks to Watch" list. The list would accommodate up to 20 stocks. If a viewer tries to add more, a message would come on saying his list was full and explaining how to delete stocks from the list.

- Five-minute summary of top business stories along with market analysis done every afternoon by Fortune.

- The Lou Dobbs show scrolled in each day from CNN.

- Fortune's Businessman of the week profile.

- Money Magazine personal finance report.

- Printouts of *Time*, *Fortune*, and *Money* stories and lists

Health

- Three reports of about 3-minutes each, with shelf lives of 1 to 3 weeks, from Time's medical correspondents.

- Three reports of three minutes each from Whittle's medical news network, with shelf lives of 1 to 3 weeks.

- Printouts of stories from *Time* and *Health* magazines.

Entertainment News & Reviews

The initial screen would offer these categories: Entertainment News; Movie Reviews, TV Reviews, Book Reviews, and Music Reviews.

- Daily 5-to-10 minutes entertainment news report.
- Mitchell Fink's gossip report.
- EW's Hot Sheet.
- Six reviews of current movies, with clips, at 4 minutes each, with shelf lives of 3 weeks.
- Six reviews of current TV shows at 4 minutes each, with shelf lives of two weeks.
- Six reviews of current books with author interviews at 4 minutes each, with shelf lives of 1 month.
- Six reviews of current pop, rock and country music at 4 minutes each, with music video clips, with shelf lives of 3 weeks.
- Printouts of *Time*, *EW*, and *People* stories and reviews.

Sports

- Latest scores and, a screen deeper, box scores (text).
- Sports news roundup with highlights; possibly separate roundups for different sports..
- *Sports Illustrated* morning line betting tipsheet (text on screen).
- Sports Illustrated roundtable.
- Three feature stories of 5-10 minutes each, with shelf lives of two weeks.
- 3 sports columns at 3 minutes each, with shelf lives of one week.
- Sports polls and viewer feedback (linked to feedback area).
- Printouts of *Sports Illustrated* stories

Weather

- Local weather reports
- Stories and analysis of weather trends

-- National weather map and list of cities.

Viewer Feedback

-- Onscreen polling tabulated by neighborhood and compared with national data.

-- Video bulletin boards offering comments on four topics (initially). Viewers can go to the "model home" to record their video, make their own and drop it off at the "model home," or mail it in.

STAFFING

The staff now includes:

- > Walter Isaacson
- > Paul Sagan
- > Steven Georges, formerly the chief financial officer at New York 1, is our financial officer.
- > Oliver Knowlton, the operations director of *TIME*, is helping with our software and operations. Per an arrangement with Jim Gaines, Oliver is detached half-time to work with us.
- > John Missale, VP of Operations and Engineering of TW Cable in New York City, has been detached to be our chief engineer.

TIMELINE AND BENCHMARKS

We have prepared a timeline of our proposed schedule, which is attached to this report. Some key elements:

In February, March and April, we will be doing focus group tests of proposed user interfaces.

By June, our software should be completed.

By July, our Technology Center (probably in Orlando) should be completed.

In September, we will be doing dry runs of News on Demand.

In October, we should be fully functional.

DESIGN WORK AT TIME INC.

We will need computer equipment and design software at Time Inc. so that we can experiment with our own design ideas as Ikonic is developing its versions of the interfaces. Oliver and John will help create this capacity on the 42nd floor or in our New York production facility.

TESTING

We are planning three tests of our interface and content as part of the contract with IKONIC. Scott MacDonald is working with IKONIC to design the testing procedures and coordinate with other testing being done for the FSN.

NAMES

We have done an initial trademark search on a list of names. The following presented no problems from a legal standpoint: The Newsstand, Your News, Your Newsroom, Newswave. The following ran into problems, but may end up being viable: The Source; The InfoSource; The Newsroom. Also, one suggestion is already copyrighted by Time Warner: The Daily Planet.

We are awaiting further results of Scott's testing of names for the overall service and the specific venues. Scott has also agreed to help come up with and test various names. At the moment, we are using "The Newsstand" as our working name.